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USTR INITIATES REVIEW OF PHILIPPINES GSP ELIGIBILITY

United States Trade Representative Charlene Barshefsky announced today that USTR will conduct a review to determine whether the Philippines continues to qualify for benefits under the U.S. Generalized System of Preferences (GSP). The initiation of the review responds to a petition filed by the Meat Industry Trade Policy Council on behalf of several associations, including the National Pork Producers Council.

The petitioners allege that the Government of the Philippines is not respecting commitments it made during the Uruguay Round of multilateral trade negotiations. During those negotiations, the Philippines agreed to a tariff rate quota (TRQ) on pork. However, the petitioners charge that the market access they achieved has been subverted by Philippine government allocation procedures. For example, last year 85% of the TRQ was allocated to domestic hog producers.

“This Administration expects our trading partners to adhere to commitments made in trade agreements with the United States,” said Barshefsky. “We have already initiated consultations with the Philippines Government at the World Trade Organization about this particular situation. While we are pursuing the matter in the WTO, we will consider the petitioners’ concerns on a parallel track under our GSP statute.”

The Generalized System of Preferences (GSP) is a program that grants duty-free treatment to specified products that are imported from more than 140 designated developing countries and territories. The premise of GSP is that the creation of trade opportunities for developing countries is an effective, cost-efficient way of encouraging broad-based economic development and a key means of sustaining the momentum behind economic reform and liberalization. GSP is designed to encourage beneficiaries to eliminate or reduce significant barriers to trade in goods, services, and investment, to afford all workers internationally recognized worker rights, and to provide adequate and effective means for foreign nationals to secure, exercise and enforce exclusive intellectual property rights.